



**** FINANCE ****

FLASH



December Arrival into theater and its impact on Combat Zone Tax Exclusion (CZTE)

1. Soldiers who enter the deployed theater after the first week of December may not receive the CZTE entitlement on their December Leave and Earnings Statement (LES). This is because the Military Pay System requires a “cut off” to capture all of a Soldier’s pay affecting data for a timely end of month payment. For Reserve Component Soldiers the “cut off” is December 9th and for Active Component Soldiers the “cut-off” is December 19th.
2. Tax law does not allow Finance to correct or repay taxes withheld in a prior tax year, so taxes collected in December cannot be adjusted in January's pay. However, the 2005 corrected W-2 will display the reduced taxable wages due to CZTE. The Soldier can then recoup the December taxes when filing his or her 2005 tax return.
3. For more information regarding this and other finance questions, call or stop by the local office, or visit our website at <http://www.hood.army.mil/13thfingp/>.

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